

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE )  
APPLICATION OF THE FUEL )  
ADJUSTMENT CLAUSE OF KENTUCKY ) CASE NO. 2011-00245  
POWER COMPANY FROM NOVEMBER )  
1, 2010 THROUGH APRIL 30, 2011 )

O R D E R

Pursuant to 807 KAR 5:056, the Commission, on August 23, 2011, established this case to review and evaluate the operation of the Fuel Adjustment Clause ("FAC") of Kentucky Power Company ("Kentucky Power") for the six-month period ending April 30, 2011. As part of this review, Kentucky Power submitted certain information, pursuant to Commission Order, concerning its compliance with 807 KAR 5:056. The Commission held a public hearing in this matter on October 18, 2011. On October 28, 2011, Kentucky Power filed its response to requests made at the hearing. Commission Staff issued a supplemental information request on November 7, 2011 and Kentucky Power responded to that request on November 16, 2011.

The Commission has previously established Kentucky Power's base fuel cost as 28.40 mills per kWh.<sup>1</sup> A review of Kentucky Power's monthly fuel clause filings shows that the actual fuel cost incurred for the six-month period under review ranged from a

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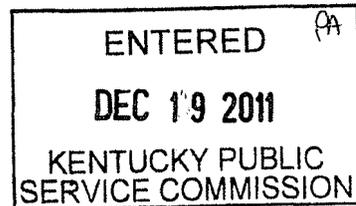
<sup>1</sup> Case No. 2008-00518, An Examination of the Application of the Fuel Adjustment Clause of Kentucky Power Company from November 1, 2006 Through October 31, 2008 (Ky. PSC May 27, 2009).

low of 25.67 mills in January 2011 to a high of 30.88 mills in April 2011, with a six-month average of 28.46 mills.

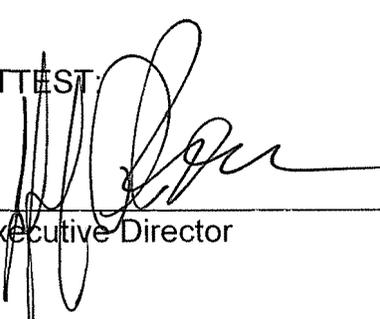
The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence of improper calculation or application of Kentucky Power's FAC charges or improper fuel procurement practices.

IT IS THEREFORE ORDERED that the charges and credits billed by Kentucky Power through its FAC for the period November 1, 2010 through April 30, 2011 are approved.

By the Commission



ATTEST:

  
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Executive Director

Honorable Mark R Overstreet  
Attorney at Law  
Stites & Harbison  
421 West Main Street  
P. O. Box 634  
Frankfort, KENTUCKY 40602-0634

Ranie Wohnhas  
Managing Director, Reg & Finance  
American Electric Power  
101 A Enterprise Drive  
P. O. Box 5190  
Frankfort, KY 40602